

The Influence of Product Quality, Service Quality and Perceived Quality on Repurchase Intention with Customer Satisfaction as Intervening Variables at XXYZ Surabaya Store Customers

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Abstract. Product quality is the result of the production of a product that can be a factor in sales volume. Meanwhile, service quality is the totality of features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In addition to product quality and service quality, there is perceived quality, namely the customer's perception of the overall quality or superiority of a product or service related to what is expected by the customer. The hypothesis of this study states that the three variables, namely, product quality, service quality and perceived quality affect repurchase intentions directly and indirectly through the intervening variable, namely satisfaction. This research was conducted on exhaust fan products owned by the XXYZ brand. This study uses a quantitative approach with data collection methods using questionnaires. This study uses the PLS method using SmartPLS3. Respondents in this study were XXYZ Surabaya customers who had purchased exhaust fan products in the period March 2019-March 2021 with age over 30 years. The number of respondents in this study amounted to 100 respondents. The results of this study explain that the independent variables namely product quality, service quality and perceived quality have a significant influence on the intervening variable, namely satisfaction. For the independent variable perceived quality has no direct effect on repurchase intention. And the product quality variable has no indirect effect on repurchase intention.

Keywords: Product quality; service quality; perceived quality; satisfaction; repurchase intention

I. INTRODUCTION

Marketing is something that interests everyone, which can be marketed, namely goods, services, properties, individuals, places, events, information, ideas, or organizations.(Kotler, 2012). Daryanto (2011: 1) defines marketing as a social and managerial process by which individuals and groups obtain their needs and desires by creating, offering and exchanging something of value with one another.

According to(Kotler, 2012)Product quality is the ability of a product to perform its functions, this includes the overall durability, reliability, accuracy, ease of operation and product repair. According to(Kotler, 2012)Product quality is a marketer's positioning tool. Quality has a direct impact on product or service performance. If the quality of the product they buy is not unsatisfactory, then the intention to buy again will not occur. Conversely, if the product they buy has satisfactory quality, then it is likely that consumers will buy it again. Indirectly improving product quality affects consumer satisfaction and consumers can repurchase products so that they can increase the amount of company income.

In addition to product quality, service quality greatly influences consumer satisfaction to repurchase. A customer who already has an interest in buying an item or service, can almost certainly have a tendency to make a purchase of that item or service. Tjiptono (2012) stated in his research that service quality is the level of excellence

expected and control over that level of excellence to fulfill customer desires.

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service in relation to what is expected by the customer. Because Perceived quality is the perception of the customer, it cannot be determined objectively. Perceived quality is a consumer's subjective assessment of product quality where consumers will evaluate product quality from their previous experiences and feelings (Lomboan: 2017).

According to Kotler and Keller in "Donny June Prianza" (2017) explains that customer satisfaction is the pleasure or disappointment that people produce after comparing the expected performance (results) of the product with the expected performance (or results). If performance is lower than expected, the consumer is dissatisfied. If the performance meets expectations, consumers will be satisfied. If performance exceeds expectations, consumers will be very satisfied.

It can be concluded that if the customer is satisfied, it is likely that this customer will last with the product for a long time. Vice versa. Customer satisfaction is also one measure of success which also has an impact on sales levels. This satisfaction is formed through their first experience in buying an item, comments from friends and acquaintances, as well as promises and information from marketers and competitors. Marketers who want to excel in the competition must pay attention to customer expectations and customer satisfaction, including the XXYZ brand exhaust fan product. Currently the XXYZ brand Exhaust fan product is experiencing problems in

the form of a decline in sales which can be seen in the following table:

Table 1
Sales Data for 2019 - March 2021

Bulan	Tahun 2019	Tahun 2020	Tahun 2021
Januari	80,37%	105,82%	77,11%
Februari	68,80%	127,21%	73,43%
Maret	72,37%	141,47%	74,64%
April	77,21%	96,57%	
Mei	95,40%	40,08%	
Juni	47,20%	86,14%	
Juli	79,49%	91,48%	
Agustus	60,32%	94,04%	
September	72,21%	100,35%	
Oktober	267,10%	104,42%	
November	105,24%	101,04%	
Desember	138,80%	114,23%	

Source: XXYZ Product Sales Data

Based on the data in table 1.1 above, it can be seen that sales of the XXYZ brand Exhaust fan products have experienced ups and downs. Sales of exhaust fans for the XXYZ brand are still experiencing a decline, this can be seen in 2019 in February, June, August and November. Meanwhile, in 2020, the XXYZ brand exhaust fan products are still experiencing a decline in sales, which can be seen in April, May and November. Sales data that rises and falls in extremes shows that sales of the XXYZ brand Exhaust fan products are not stable or not optimal. This indicates that there are still many things that need to be improved in increasing product sales.

Based on the background above, the researcher is interested in conducting further research to find out The Influence of Product Quality, Service Quality and Perceived Quality on Repurchase Intentions with Customer Satisfaction as an Intervening Variable for Customers at XXYZ Store Surabaya.

Theoretical basis

Product quality

According to Kotler (2012) Product quality is a marketer's positioning tool. Quality has a direct impact on product or service performance, so it is closely related to customer satisfaction and loyalty (Kotler & Armstrong, 2012: 254).

Service quality

According to Kotler and Keller (2012) in Syafarudin (2020) states that service quality is the totality of features and characteristics of a product or service that bear

on its ability to satisfy stated or implied needs. Meanwhile, according to Tjiptono Tjiptono & Tjiptono (2012) Service quality is the expected level of excellence and control over that level of excellence will fulfill customer desires.

Perceived Quality

According to Zeithmal in Tjiptono (2011) Perceived quality is not the actual quality of the product but the consumer's perception of the overall quality or superiority of products and services. Tjiptono further said that perceived quality is the image and reputation of the product and the company's responsibility for the product. Thus the impression of quality is the consumer's assessment of the overall superiority and superiority of a product or service that differs from the actual objective quality.

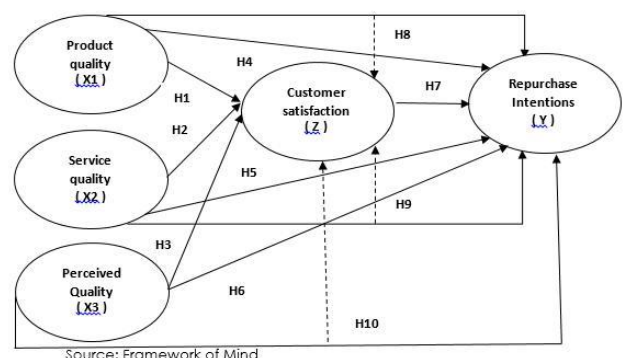
Customer satisfaction

According to Kotler (2010: 138), satisfaction is a person's feeling of pleasure or disappointment that arises from comparing the perceived performance of a product (or result) against their expectations. If performance is lower than expected, the consumer is dissatisfied. If the performance meets expectations, consumers will be satisfied. If performance exceeds expectations, consumers will be very satisfied.

Repurchase Intentions

According to Tylor in Puspitasari (2010) as consumer behavior, where consumers respond positively to the service quality of a company and intend to make return visits or re-consume the company's products. Through this definition, it can be interpreted that repurchasing interest has a strong influence on the success of a product or service being sold in the market.

CONCEPTUAL FRAMEWORK



Source: Framework of Mind

Picture 1
Conceptual Framework

II. RESEARCH METHODS

Research Methodology

Operational Definitions and Indicators

Table 2
Operational Definitions and Indicators

Variable	Operational definition	Indicator
Product quality (X1)	Product quality is described as the ability of XXYZ exhaust fan products to perform their functions	<ul style="list-style-type: none"> Privileges (Performance) (X1.1) Advantages (Features) (X1.2) Reliability (X1.3) Durability (X1.4) Serviceability (X1.5)
Quality of service (X2)	Service quality is an action or activity that can be offered by XXYZ outlets to consumers which are basically intangible and do not result in any ownership	<ul style="list-style-type: none"> Employees know what consumers need (X2.1) Service speed (X2.2) Employees make buyers comfortable when transacting (X2.3) Provide detailed product information (X2.4) Employees are always willing to help customers (X2.5)
Perceived quality (X3)	Customer perceptions of the quality of XXYZ brand exhaust fan products	<ul style="list-style-type: none"> Provide better value than competitors (X3.1) Products offered as needed (X3.2) Products offered efficiently (X3.3)
Customer satisfaction (Z)	Customer satisfaction is a person's feeling of pleasure or disappointment that comes from a comparison between his impression of the exhaust fan product and expectations	<ul style="list-style-type: none"> Attributes related to the product (Z1) Attributes related to service (Z2) Attributes related to purchasing decisions (Z3)
Repurchase intention (Y)	Repurchase intention is a purchase that occurs after the customer has experience with XXYZ brand exhaust fan products	<ul style="list-style-type: none"> Transactional (Y1) Referential (Y2) Preferential (Y3) Explorative (Y4)

Population and Sample

The population in this study are customers at the XXYZ Surabaya store. The sample criteria in this study are:

1. XXYZ Surabaya store customer respondents who have purchased Exhaust Fan products
2. XXYZ Surabaya store customer respondents aged 30 and over (≥ 30 years).
3. Customer respondents who purchased products in the period March 2019– March 2021.

Referring to the sample measurement guidelines according to Imam Ghozali 2011 the number of samples in this study is 100 people which refers to the number of indicators multiplied by 5, namely $(20 \times 5) = 100$ people

III. RESEARCH RESULTS AND DISCUSSION

Results of Analysis and Hypothesis

Testing 1. Outer Model

There are three criteria in the use of data analysis techniques with SmartPLS to assess the outer model, namely convergent validity, discriminant validity and composite reliability

- Convergent Validity

Table 3
Convergent Validity Results

Variable	Indicator	Loading Value	Information
Product quality	X1.1	0.805	Valid
	X1.2	0.782	Valid
	X1.3	0.839	Valid
	X1.4	0.791	Valid
	X1.5	0.776	Valid
Service Quality	X2.1	0.776	Valid
	X2.2	0.821	Valid
	X2.3	0.895	Valid
	X2.4	0.829	Valid
	X2.5	0.831	Valid
Perceived Quality	X3.1	0.852	Valid
	X3.2	0.915	Valid
	X3.3	0.853	Valid
Customer satisfaction	Z1	0.878	Valid
	Z2	0.914	Valid
	Z3	0.896	Valid
Intention to Repurchase	Y1	0.838	Valid
	Y2	0.885	Valid
	Y3	0.922	Valid
	Y4	0.890	Valid

- Construct Validity

Table 4
Construct Validity Results

Variable	Average Variance Extracted (AVE)	Information
Customer satisfaction	0.803	Valid
Service Quality	0.691	Valid
Product quality	0.638	Valid
Intention to Repurchase	0.782	Valid
Perceived Quality	0.763	Valid

- Discriminant Validity

Table 5
Discriminant Validity Results

	Product quality	Service Quality	Perceived Quality	Intention to Repurchase	Customer satisfaction
X1.1	0.805	0.757	0.734	0.766	0.763
X1.2	0.782	0.699	0.711	0.709	0.714
X1.3	0.839	0.742	0.694	0.752	0.724
X1.4	0.791	0.670	0.648	0.709	0.660
X1.5	0.776	0.696	0.694	0.713	0.723
X2.1	0.645	0.776	0.665	0.685	0.692
X2.2	0.733	0.821	0.740	0.807	0.770
X2.3	0.823	0.893	0.863	0.883	0.902
X2.4	0.743	0.829	0.770	0.791	0.793
X2.5	0.757	0.831	0.792	0.819	0.788
X3.1	0.753	0.804	0.852	0.796	0.801
X3.2	0.777	0.851	0.915	0.848	0.879
X3.3	0.756	0.768	0.853	0.779	0.794
Y1	0.765	0.808	0.805	0.838	0.806
Y2	0.800	0.860	0.846	0.901	0.885
Y3	0.830	0.896	0.833	0.922	0.866
Y4	0.839	0.838	0.788	0.890	0.851
Z1	0.801	0.839	0.850	0.849	0.878
Z2	0.811	0.858	0.860	0.885	0.914
Z3	0.804	0.866	0.831	0.869	0.896

- Composite Reliability and Cronbach Alpha

Table 6
Composite Reliability Calculation Results and Cronbach Alpha

Variable	Cronbach's Alpha	Composite Reliability	Information
Customer satisfaction	0.877	0.924	Reliable
Service Quality	0.888	0.918	Reliable
Product quality	0.858	0.898	Reliable
Intention to Repurchase	0.907	0.935	Reliable
Perceived Quality	0.844	0.906	Reliable

2. Inner Model

Hypothesis Testing Results

H		Path Coefficients	T Statistics	P Values	Ket.
H1	Product Quality -> Customer Satisfaction	0.144	1,801	0.072	Significant
H2	Service Quality -> Customer Satisfaction	0.461	4,323	0.000	Significant
H3	Perceived Quality -> Customer Satisfaction	0.393	4,368	0.000	Significant
H4	Product Quality -> Intention to Repurchase	0.161	2.103	0.036	Significant
H5	Quality of Service -> Intention to Repurchase	0.368	3,432	0.001	Significant
H6	Perceived Quality -> Intention to Repurchase	-0.027	0.302	0.763	Not significant
H7	Customer Satisfaction -> Intention to Repurchase	0.498	3,414	0.001	Significant
H8	Product Quality -> Customer Satisfaction -> Intention to Repurchase	0.072	1,559	0.120	Not significant
H9	Quality of Service -> Customer Satisfaction -> Intention to Repurchase	0.230	2,768	0.006	Significant
H10	Perceived Quality -> Customer Satisfaction -> Intention to Repurchase	0.196	2,680	0.008	Significant

Based on the table it is known that:

1. Product quality has a significant positive direct effect on customer satisfaction with a T Statistics value of 1.801 and a P-value of 0.072. This value is above the critical limit value of 1.660 at a significance limit of 10%. This shows that with increasing product quality it will increase customer satisfaction.
2. Service Quality has a significant positive direct effect on customer satisfaction with a T Statistics value of 4.323 with a P-value of 0.000. This value is above the critical limit value of 1.660 at a significance limit of 10%. This shows that with increasing service quality it will increase customer satisfaction.
3. Perceived Quality has a significant positive direct effect on Customer Satisfaction with a T Statistics value of 4.368 with a P-value of 0.000. This value is above the critical limit value of 1.660 at a significance limit of 10%. This shows that increasing perceived quality will increase customer satisfaction.
4. Product quality has a significant positive direct effect on Intention to Repurchase with a T Statistics value of 2.103 with a P-value of 0.036. This value is above the critical limit value of 1.660 at a

significance limit of 10%. This shows that with increasing product quality it will increase Intention to Repurchase.

5. Service Quality has a significant positive direct effect on Intention to Repurchase with a T Statistics value of 3.432 with a P-value of 0.001. This value is above the critical limit value of 1.660 at a significance limit of 10%. This shows that with increasing service quality it will increase Intention to Repurchase.
6. Perceived Quality has no direct influence on Intention to Repurchase with a T Statistics value of 0.302 with a P-value of 0.763. This value is below the critical limit value of 1.660 at a significance limit of 10%. This shows that with increasing perceived quality does not affect Intention to Repurchase.
7. Customer satisfaction has a significant positive direct effect on Intention to Repurchase with a T Statistics value of 3.414 with a P-value of 0.001. This value is above the critical limit value of 1.660 at a significance limit of 10%. This shows that with increasing customer satisfaction it will increase Intention to Repurchase.
8. Product quality has no influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 1.559 with a P-value of 0.120. This value is below the critical limit value of 1.660 at a significance limit of 10%.
9. Service Quality has a significant positive influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 2.768 with a P-value of 0.006. This value is below the critical limit value of 1.660 at a significance limit of 10%.
10. Perceived Quality has a significant positive influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 2.680 with a P-value of 0.008. This value is below the critical limit value of 1.660 at a significance limit of 10%.

IV. CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of the analysis obtained, the following conclusions can be drawn:

1. Product quality has a significant positive direct effect on customer satisfaction with a T Statistics value of 1.801 with a P-value of 0.072 at the XXYZ Surabaya store.
2. Service Quality has a significant positive direct effect on customer satisfaction with a T Statistics value of 4.323 with a P-value of 0.000 at the XXYZ Surabaya store.
3. Perceived Quality has a significant positive direct effect on Customer Satisfaction with a T Statistics value of 4.368 with a P-value of 0.000 at the XXYZ Surabaya store.
4. Product quality has a significant positive direct effect on Intention to Repurchase with a T Statistics value of 2.103 with a P-value of 0.036 at the XXYZ Surabaya store.
5. Service Quality has a significant positive direct effect on Intention to Repurchase with a T Statistics value of

- 3.432 with a P-value of 0.001 at the XXYZ Surabaya store.
6. Perceived Quality has no direct influence on Intention to Repurchase with a T Statistics value of 0.302 with a P-value of 0.763 at the XXYZ Surabaya store.
 7. Customer satisfaction has a significant positive direct effect on Intention to Repurchase with a T Statistics value of 3.414 with a P-value of 0.001 at the XXYZ Surabaya store.
 8. Product quality has no influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 1.559 with a P-value of 0.120 at the XXYZ Surabaya store.
 9. Service Quality has a significant positive influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 2.768 with a P-value of 0.006 at the XXYZ Surabaya store.
 10. Perceived Quality has a significant positive influence on Intention to Repurchase Through Customer satisfaction with a T Statistics value of 2.680 with a P-value of 0.008 at the XXYZ Surabaya store.

Suggestion

From the entire research process that has been carried out as well as the data analysis and discussion presented, it can be suggested as follows:

1. Perceived quality does not have a direct influence on repurchasing intentions, so what XXYZ can do is to take advantage of other factors that influence consumers to repurchase intentions such as product quality, service satisfaction and customer satisfaction. If XXYZ pays attention to how services are provided to customers so that service satisfaction and customer satisfaction are created, sales will increase due to an intention to repurchase. However, perceived quality has an indirect effect on repurchase intentions through satisfaction. So that needs to be considered is how to create satisfaction for consumers.
2. Product quality has a direct effect on repurchase intention, but has no effect when product quality is mediated by satisfaction with repurchase intention. This can happen because products from XXYZ are of good quality, thus encouraging consumers to make repeat purchases. So that XXYZ still has to maintain its quality so that consumers make repeat purchases.

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